

BC NDP 2013 PLATFORM FISCAL PLAN

April 11, 2013



REAL LIBERAL DEFICIT

	2013/14	2014/15	2015/16
Real Liberal Deficit	(790)	(847)	(452)

The **Real Liberal Deficit** is made up of the following:

1. Expenditure growth rate projections that are **unrealistic**.
2. Asset sales revenue that is **not credible**.

CHANGE *for the* BETTER

CORPORATE INCOME TAX

MEASURE

- Increase general CIT from 11% to 12% effective October 1, 2013
- No increase to small business tax rate of 2.5% nor reduction of \$500k threshold

REVENUE

- \$200 million per year

OUTCOME

- BC will have 5th lowest general CIT rate in Canada

CHANGE *for the* BETTER

CORPORATION CAPITAL TAX ON FINANCIAL INSTITUTIONS

MEASURE

- Reinstate the CCT on financial institutions
 - *3% for banks*
 - *1% for financial institutions with head offices in BC, including credit unions*
- Exemption for credit unions with capital holdings of less than \$20 million
- Effective October 1, 2013

REVENUE

- \$150 million per year

OUTCOME

- BC CCT on financial institutions will be lowest in Canada among 7 provinces with the tax

CHANGE *for the* BETTER

PERSONAL INCOME TAX: HIGH INCOME EARNERS

MEASURE

- Increase rates for top 2% of earners to 19% on individual taxable income above \$150K a year
- Personal income tax rates **will not change** for individual taxable income below \$150k a year
- Effective January 1, 2014

REVENUE

- \$200 million per year

OUTCOME

- Affects only top 2% of earners and only on their taxable income above \$150K
- No tax increase for 98% of earners

CHANGE *for the* BETTER

PERSONAL INCOME TAX: HIGH INCOME EARNERS

Impact of New 19% PIT Rate on Individual Taxable Income	
Taxable Income	Additional Tax Paid (Annual)
<\$150,000/year	0
\$200,000/year	\$1,100
\$250,000/year	\$2,200
\$350,000/year	\$4,400

CHANGE *for the* BETTER

CARBON TAX: EXPANDING THE BASE

MEASURE

- Expand the carbon tax base to cover “venting” emissions from the oil and gas sector
- Effective April 1, 2014 at \$10/tonne; increases to \$20/tonne in 2015 and \$30/tonne in 2016
- Will not apply to chemical process emissions (cement, aluminum, lime), agriculture emissions, or fugitive emissions

REVENUE

- \$0 in 2013/14
- \$35 million in 2014/15
- \$70 million in 2015/16
- \$100 million in 2016/17

OUTCOME

- To reduce GHG emissions and spur innovation in best practices in the sector

CHANGE *for the* BETTER

REALLOCATING LIBERAL SPENDING

	2013/2014	2014/2015	2015/2016
BC Training and Education Savings Program	30	30	30
Early Years Strategy	6	18	52
Early Childhood Tax Benefit	0	0	146
Discretionary Spending*	50	100	100
TOTAL REALLOCATIONS	86	148	328

*Reallocation of discretionary spending totals less than 1% of government spending in each fiscal year.

CHANGE *for the* BETTER

NEW REVENUE/REALLOCATIONS				
New Revenue/Reallocations (\$millions)		(partial yr) 2013/2014	2014/2015	2015/2016
Corporate Income Tax Increase from 11% to 12%		100	200	200
Corporation Capital Tax on Financial Institutions 3% for banks; 1% for head offices in BC and credit unions		75	150	150
Personal Income Tax (High Income Earners) 19% on individual taxable income above \$150K		50	200	240
Carbon Tax Expand base to vented emissions from oil and gas operations		0	35	70
Reallocations		86	148	328
TOTAL NEW REVENUE/REALLOCATIONS		311	733	988
Total new platform spending will not exceed total new revenue/reallocations.				

CHANGE

— *for the* —

BETTER

ONE PRACTICAL STEP AT A TIME



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